

Default Rates

Cohort Default Rate

A cohort default rate is the percentage of **borrowers** who enter repayment on certain Federal Family Education Loan (FFEL) Program or William D. Ford Federal Direct Loan (Direct Loan) Program loans during a particular federal fiscal year, October 1 to September 30, and default or meet other specified conditions prior to the end of the next fiscal year. The U.S Department of Education releases official cohort default rates once per year.

Budget Lifetime Default Rate

The budget lifetime default rate is a projected percentage of the **dollars** that are originated in the FFEL and Direct Loan programs for a particular fiscal year and that may default during a projected 20-year life of the loan period.

Cumulative Lifetime Default Rate

A cumulative lifetime default rate is a percentage of **loans** that enter repayment in the FFEL and Direct Loan programs for a particular fiscal year and have defaulted through the current ending fiscal year. Unlike the cohort default rate, which is utilized as an administrative tool for schools and reflects a two-year indicator period, the cumulative lifetime default rate is a performance tool focused on the risk of default throughout the life of the loan. This rate will be updated and published annually.